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FISCAL IMPACT STATEMENT

LS 7767

BILL NUMBER: SB 484

NOTE PREPARED: Mar 28, 2005

BILL AMENDED:

SUBJECT: State Police Officer Survivor Health Benefit.

FIRST AUTHOR: Sen. Wyss

FIRST SPONSOR: Rep. Alderman

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Indiana State Police Department (ISP) to offer to provide and pay for health coverage equal to health coverage offered to active state police officers for the surviving spouse and dependent children of certain state police officers who die in the line of duty.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) The bill requires that if ISP offers health coverage for active employees, ISP must also offer and pay for the same health coverage to the surviving spouse and each child (natural, step, and adopted) of an officer who dies in the line of duty, regardless of when the line-of-duty death occurred. The health coverage for a child continues until the child becomes 18. The coverage continues if the child regularly attends a secondary school or is a full-time student at an accredited college or university until the child becomes 23. The coverage also continues if the child is physically or mentally disabled until the end of the physical or mental disability.

ISP's offer to provide health coverage must remain open as long as ISP continues to offer health coverage for officers and the surviving spouse or child is eligible.

From 1933 through 2003, 42 Indiana State Police officers have lost their lives in the line of duty. There are an estimated 26 survivors to whom the bill could apply—five survivors with families and 21 survivors who are single. The cost to the state would equal the employer and employee's cost of the ISP health benefit plan for each eligible survivor. The ISP plan is a self-insured plan wherein actual costs incurred form the basis for rates. Based on the ISP health care plan, the state's biweekly share would equal \$476.64 for family coverage and

\$186.03 for single coverage. The average number of enrollees in a family plan is about 2.3. Because, in this case, the family is minus one member, costs for a surviving family are estimated to be less than the cost of a family premium. The estimated cost is estimated to be approximately \$290.61. Costs for family coverage for 2005 would equal an estimated \$37,779 ($\$290.61 * 26 \text{ pays} * 5 \text{ families}$). State costs for single coverage would equal an estimated \$101,572 ($\$186.03 * 26 * 21 \text{ individuals}$). The total initial ISP cost is estimated at \$139,351 for the first full year.

Costs in subsequent years would increase based on increases in health insurance costs. Costs in subsequent years would also change based on the number of eligible survivors. ISP plans include medical, dental, and vision insurance.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: ISP.

Local Agencies Affected:

Information Sources: *2003 ISP Annual Report*; Steve Hillman, ISP State Health Care Plan; www.trooper.org/Magazine/01022002/CassCtyHonorsTrp.html; and the Officer Down Memorial Page, <http://www.odmp.us>.

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